



OFFICE OF  
INSURANCE COMMISSIONER

*In the Matter of*

**Jack Chandler,**

*Licensee.*

) No. D 02 - 152

) ORDER REVOKING LICENSE

)

FILED  
OCT 14 2002  
Hearing Unit, OIC  
Patricia D. Petersen  
Chief Hearing Officer

To: Jack Chandler  
PO Box 153  
Edmonds, WA 98020

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your license is REVOKED, effective October 16, 2002, pursuant to RCW 48.17.530 and 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. Department of Financial Institutions (DFI), Securities Division, issued a Cease and Desist Order, SDO-9-02, naming Jack Chandler and ten other individuals regarding the offer and/or sale of public telephones and telephone service agreements which constitute the offer and/or sale of a security. You were not licensed to offer or sell security investments.
2. On May 22, 2002 you agreed to a Consent Order, SDO-48-02; with DFI vacating Order Number SDO-9-02 and agreed to pay DFI Seven Thousand Five Hundred Dollars (\$7,500) for its costs incurred in its investigation of the matter. It was further agreed and ordered that based on the Findings of Fact and Conclusions of Law, you shall be subject to a fine in the amount of Fifty Thousand Dollars (\$50,000), with the entire amount suspended based on future compliance with DFI's order. In the event of a violation of the order, DFI will seek enforcement of the Order pursuant to RCW 21.20.395.
3. As a result of the DFI order, on February 15, 2002, the Office of the Insurance Commissioner (OIC), opened an investigation and assigned investigator Tom Talarico to determine if you were trustworthy and in compliance with the insurance code, Revised Code of Washington (RCW) and Washington Administrative Code (WAC).
4. Mr. Talarico sent you written inquiries on February 21 and March 13, 2002. These were returned marked, "Moved, Left No Address, Unable to Forward". You are required to promptly notify the Commissioner of any change of residential or business address. Each failure to notify the Commissioner violated RCW 48.17.450. These inquiries related to the business of insurance. You did not respond to any of them. Each such failure to respond promptly in writing violated RCW 48.17.475.

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5. During the investigation, evidence was presented by the California Department of Insurance Senior Investigator, Gary Matsumota, that while you were licensed in California you had eight prior investigations. Mr. Talarico reviewed the OIC agent licensing application completed by you on November 11, 1999. In your application for an agent's license you answered "no" to the question, "Have any complaints been filed against you with any Insurance Department?" In fact, you had eight previous complaints while licensed as a California agent. By your answer you violated Washington Law RCW 48.17.070, and RCW 48.17.090 (3).

By reason of your conduct, you have shown yourself to be and are so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, your license is revoked pursuant to RCW 48.17.070, and RCW 48.17.530(1) (a), (b), (c), and (h).

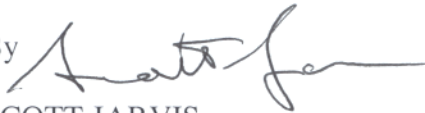
IT IS FURTHER ORDERED that you return your insurance agent's license certificate to the Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention Scott Jarvis, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT LACEY, WASHINGTON, this 26<sup>th</sup> day of September, 2002.

MIKE KREIDLER  
Insurance Commissioner

By 

SCOTT JARVIS  
Deputy Commissioner

Investigator: Tom Talarico

## **NOTICE OF YOUR RIGHT TO A HEARING**

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your Demand for Hearing should be sent to Scott Jarvis, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at (360) 664-8002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.